Message Text

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E.O. 11652: N/A TAGS: EIND, UK

SUBJECT: AUSTRALIAN PRIME MINISTER STATEMENT ON GENERAL

MOTORS - HOLDEN

REF: CANBERRA 8223

FOLLOWING IS RELEVANT EXCERPT FROM PRIME MINISTER WHITLAM'S PRESS STATEMENT AT AUSTRALIA HOUSE ON DECEMBER 20:

"Q. (BILL NORMAN, SYDNEY MORNING HERALD): THERE IS A POSSIBILITY THAT GMH MAY SACK ANOTHER 5000 WORKERS. DID YOU GET ANY IDEAS FROM MR. WILSON WHEN YOU TALKED TO MR. WILSON WHICH MIGHT BE APPLIED IN AUSTRALIA. P.M. WE DIDN'T DISCUSS THE MOTOR INDUSTRY. MY GENERAL IMPRESSION IS THE MOTOR INDUSTRY IS IN TROUBLE THROUGHOUT THE WESTERN WORLD. THE MONSTROUS AND INTOLERABLE SITUATION IN AUSTRALIA IS THAT GENERAL MOTORS SUBSIDIARY THERE HAS ATTEMPTED TO STAND OVER THE AUSTRALIAN GOVERNMENT. IT HAS AVOIDED USING THE MACHINERY AVAILABLE TO ANY AUSTRALIAN INDUSTRY WHICH BELIEVES IT NEEDS ASSISTANCE FROM THE AUSTRALIAN GOVERNMENT. IT HAS PRESENTED LIMITED OFFICIAL USE

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DEMANDS THAT THE AUSTRALIAN GOVERNMENT SHOULD ELIMINATE

COMPETITION FOR ITS PRODUCTS AND SHOULD SUBSIDISE THOSE PRODUCTS. I NEVER THOUGHT EVEN GENERAL MOTORS WOULD HAVE THE GALL TO BE SO OVERT ABOUT IT. THESE UGLY AMERICAN COMPANIES.

Q. ... APPLICABLE TO AUSTRALIA.

P.M. I DIDN'T UNDERSTAND YOU TO ASK A QUESTION IN SUCH GENERAL TERMS. YOU MENTION GENERAL MOTORS AND I ANSWERED IN THAT CONTEXT. OF COURSE, MY COLLEAGUE AND OUR ADVISORS, AND I, SOUGHT AND GAINED A NUMBER OF IMPRESSIONS ON THE ECONOMIC SITUATION DURING OUR TALKS IN LONDON AND IN BRUSSELS. OF COURSE WE DID.

Q. ON THE GENERAL MOTORS THING, PRIME MINISTER. AFTER THE AUSTRALIAN GOVERNMENT ANNOUNCED ITS MOTOR INDUSTRY POLICY, GENERAL MOTORS CAME OUT AND VIRTUALLY SUPPORTED THE GOVERNMENT AND THAT POLICY.

P.M. INDEED, THEY TOOK FULL PAGE ADVERTISEMENTS IN YOUR OWN VALUED JOURNALS.

Q. COULD YOU TELL US WHAT DISCUSSIONS THEY HAD WITH THE GOVERNMENT IN AN ATTEMPT TO GET THE CHANGE TO THE MOTOR INDUSTRY POLICY BEFORE THEY ANNOUNCED THAT WORKERS WOULD BE SACKED.

 $P.M. \ NONE \ WHATEVER. \ THEY \ DELIVERED \ AN \ ULTIMATUM.$

Q. ... (NOT HEARD)

P.M. BY THEIR SILENCE, YES. I ACCEPTED WHAT THEY SAID OPENLY. I DON'T ACCEPT THAT ANY COMPANY HOWEVER LARGE - EVEN IF IT IS AN AMERICAN COMPANY - IS ENTITLED TO STAND OVER THE GOVERNMENT OF A COUNTRY WHERE IT HAS OPERATED SO PROFITABLY FOR 20 YEARS AND MORE. GENERAL MOTORS' CONDUCT IN THIS CASE WAS ABOMINABLE. IT IS NOT THE FAULT OF THE AUSTRALIAN GOVERNMENT IF GENERAL MOTORS IN AUSTRALIA CAN'T PRODUCE AN ACCEPTABLE VEHICLE. IT CAN'T FACE COMPETITION, IF IT SEEKS ILLEGAL ASSISTANCE, PROTECTION AND UNJUSTIFIED SUBSIDIES".

STATEMENT APPARENTLY NOT PICKED UP BY BRITISH PRESS. SPIERS

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